

4 May 2023

## Australia's trade account, March: Trade surplus climbs to 2nd largest on record. Balance: +\$15.3bn, previous +\$14.2bn. Exports +3.8%, imports +2.5%

In March, Australia's trade surplus climbed to be the 2nd largest on record boosted by a strong showing from exports.

The surplus rose by \$1.1bn to be at \$15.3bn. That is only second to last June, a whopping \$17.1bn surplus, when the terms of trade was at a record high.

Exports provided a positive surprise in March, with earnings increasing by 3.8%, a rise of \$2.2bn to \$59.3bn.

The strong showing of exports in the month was all about rural goods and metal ores. Rural goods exports, up by \$0.7bn to \$6.7bn in March, are enjoying a record performance of late on improved seasonal conditions.

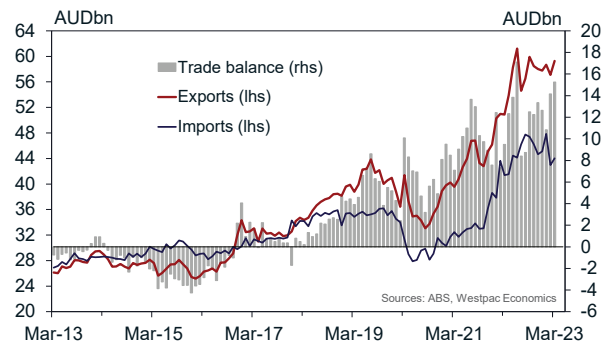
Metal ore exports, while down from their peak of mid-2021, are still performing well, posting a \$1.8bn increase in the month to be at \$16.9bn. Metal ores spans iron ore and "other" ores - with the latter including lithium, shipments of which have been on the rise from the end of 2021. In March, lithium exports more than reversed a February dip, rising \$1.4bn to be at \$2.7bn (seasonally adjusted estimates by Westpac). Iron ore export earnings rose by \$0.6bn to \$11.7bn.

The import bill increased, as was expected, albeit the rise was somewhat more sizeable, at +2.5%, an increase of \$1.1bn as import costs increased associated with a lower dollar in the period. By category, import strength was centred on consumption goods - representing a partial reversal of the February dip (after Lunar New Year).

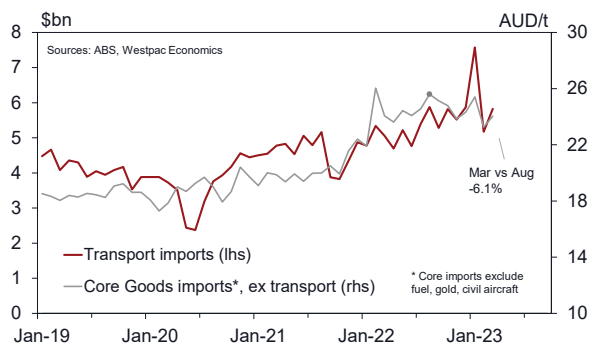
On the tourism front, the export recovery continues, with a 1.3% rise in the month of March. Overseas travel by locals was up in the March quarter, rising by 9% - on a wave of departures in January, followed by a moderation over the following two months.

**Andrew Hanlan**, Senior Economist

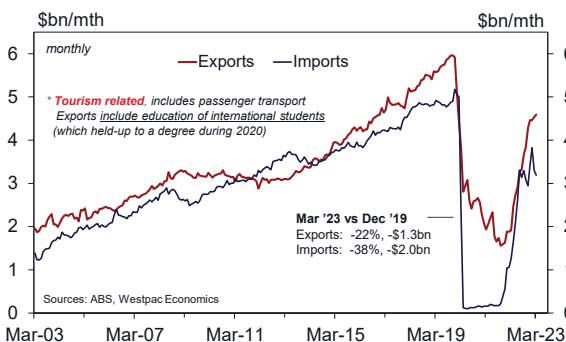
### Trade surplus: climbs to \$15.3bn in March



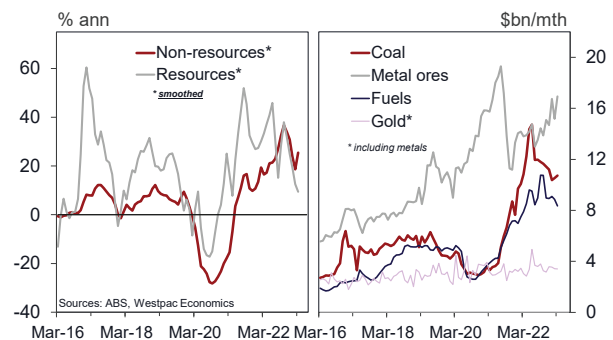
### (Value of) Core goods imports trend softening



### International tourism sharp rebound on reopening



### Export earnings



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